



Los Angeles County
Department of Regional Planning
Planning for the Challenges Ahead



Richard J. Bruckner
Director

March 22, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING ON URBAN AGRICULTURE INCENTIVE ZONE ORDINANCE AND PROGRAM
PLAN NO. RPPL2016000595
(ALL SUPERVISORIAL DISTRICTS) (3-VOTES)**

SUBJECT

This action is to implement Assembly Bill (AB) 551 by establishing an Urban Agriculture Incentive Zone (UAIZ) Program and Ordinance (Ordinance) for the unincorporated territory of Los Angeles County, within Title 22 of the County Code. The Program authorizes the County to enter into agreements with eligible owners' properties within UAIZs to encourage active agricultural uses in exchange for reduced property tax assessments, so long as those areas are not within a National Recreation Area, Significant Ecological Area, a Sensitive Environmental Resource Area, or a Former Redevelopment Area; it also enables incorporated cities within the County to adopt additional UAIZ Program(s) by resolution.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the adoption of the UAIZ Ordinance is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15304 (Minor Alterations to Land) of Title 14 of the California Code of Regulations;
2. Introduce the Ordinance amending Title 22 (Planning and Zoning) of the Los Angeles County Code (Plan No. RPPL2016000595) to establish a UAIZ Program to authorize the County to enter into agreements with owners of eligible properties in urbanized unincorporated County to encourage active agricultural uses in exchange for reduced property tax assessments; and allowing a process by which incorporated areas within Los Angeles County may adopt a resolution to enable respective programs, and to set applicable fees for the unincorporated area within Title 22 of the County Code for implementation of such program, so long as these urban areas are not within a National

Recreation Area, Significant Ecological Area, Sensitive Environmental Resource Area, or a Former Redevelopment Area;

3. Delegate authority to the Director of Planning, or his designee, to enter into UAIZ agreements, in substantially similar form to that attached hereto, with property owners who successfully complete the UAIZ application process and otherwise comply with this Ordinance.
4. Delegate authority to the Director of Planning, or his designee, to enter into a UAIZ cancellation document when appropriate per the Ordinance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the Ordinance is to implement AB 551, the Urban Agriculture Incentive Zone Act, to encourage urban agriculture and increase healthy food resources throughout the County. The Ordinance would offer a reduced property tax assessment for eligible properties in urbanized areas if these properties are used for agricultural purposes, so long as these properties are not within a National Recreation Area, a Significant Ecological Areas, a Sensitive Environmental Resource Area, or a Former Redevelopment Area.

AB 551 was enacted into state law on September 28, 2013, and became effective January 1, 2014. It is a voluntary program in which California counties can adopt an ordinance to provide a property tax reduction incentive for property owners that agree to convert eligible properties in urbanized areas to agricultural use. The AB 551 program authorizes these owners to enter into agreements with the County for an initial period of five years. AB 551 allows each city to participate in a UAIZ Program only if the program is authorized by the county where the city is located. A number of municipalities within Los Angeles County have expressed interest in participating in a UAIZ Program, and an enabling ordinance adopted by the County of Los Angeles is required to authorize these municipalities to participate. AB 551 has a sunset date whereby no new UAIZ agreements may be entered into as of January 1, 2019, unless extended by the state.

On September 22, 2015, the Board approved a motion instructing County Counsel, the Chief Executive Office and the Departments of Regional Planning and Public Health, in consultation with the Offices of the Assessor, Treasurer and Tax Collector, and the Agricultural Commissioner to prepare an ordinance to amend the County Code to implement the UAIZ Program and bring an ordinance to the Board within six months.

Proposed Ordinance

The Ordinance authorizes the Board to establish a UAIZ for the unincorporated County areas and authorizes incorporated municipalities within the County to adopt resolutions to establish their own UAIZs. Property owners within participating municipalities may enter into the UAIZ agreement with the respective municipalities once they have undergone review and approval within the respective municipalities' procedures for UAIZ's.

In order to be eligible for entering into a UAIZ agreement, the property must meet several criteria established by AB 551. An application for the UAIZ Program within the unincorporated County shall be reviewed by the Department of Regional Planning to ensure the property meets all eligibility criteria (see below). Once the application satisfies all criteria, it is then forwarded to the Agricultural Commissioner and other applicable County departments for review and inspection. The reports are then submitted to Regional Planning for consideration in approving or denying the application. If the application is approved, a five-year UAIZ agreement is entered with the property owner and then

recorded with the Registrar-Recorder/County Clerk. The applicant brings the recorded UAIZ agreement to the Assessors' Office to get property tax reduced to the prevailing agricultural rate based on the per-acre land value of irrigated cropland for California, as published by the National Agricultural Statistics Service of the United States Department of Agriculture. The Agricultural Commissioner will inspect the property for compliance on an annual basis during the term of the UAIZ agreement. The Ordinance also includes provisions for UAIZ agreement cancellation.

Program Eligibility

To be eligible for the UAIZ Program, there are several criteria that the property for which property tax relief is sought must meet. The criteria will be part of the application checklist and also included as conditions of the UAIZ agreement. Examples of criteria include:

- The property must be located within a Census-defined Urbanized Area as defined in AB 551;
- The property must be vacant, unimproved or blighted, with no existing habitable structures;
- The property must be no more than three acres in size, and the entire property must be used for and be ready to convert to immediate use for agriculture for a period of five years;
- The property must be current with property tax payments with the County Treasurer and Tax Collector;
- In unincorporated areas, the property must not be located within a sphere of influence of an incorporated city, unless that city has elected to participate in the program;
- The property must not be located in a National Recreation Area, a Significant Ecological Areas, a Sensitive Environmental Resource Area, or a Former Redevelopment Area; and
- In unincorporated areas, the property must be for an agricultural use that is permitted by the zone, all land use regulations apply, and entitlements must be obtained prior to applying for a UAIZ agreement.

Form UAIZ agreement

The Department of Regional Planning will maintain a form UAIZ agreement, substantially similar to that attached hereto, for use in the unincorporated area. Municipalities may choose to use this form as a model.

Implementation of Strategic Plan Goals

This action supports County Strategic Plan Goal No. 2 (Community Support and Responsiveness) by effectively planning and responding to economic, social, and environmental challenges. The proposed Ordinances will maximize community outcomes by encouraging urban agriculture and enhancing access to fresh produce in the urban communities. Access to healthy food options is an important aspect in community planning, and it plays an important economic role in the ongoing development of the County.

FISCAL IMPACT/FINANCING

The UAIZ Program for the County establishes a maximum loss in unrealized property tax revenue (one percent ad valorem) resulting from the UAIZ agreements, whether within the unincorporated County or an incorporated city participating in the program, shall be a cumulative total of three million dollars (\$3,000,000) for the life of the program. The County Assessor will track the total unrealized property tax revenue loss resulting from the UAIZ agreements, and will notify the director and local agencies with UAIZ Programs when the program's threshold limit is reached. No individual property or economic parcel shall exceed the maximum allocation for annual unrealized property tax revenue loss of \$15,000.

The program may record as many agreements as come in, until the maximum revenue loss is reached.

Adoption of the Ordinances should not result in significant costs to the County as the existing filing fee structure is expected to recover the administrative costs of implementing the Ordinance. UAIZ agreement applications submitted for an agricultural use that is permitted by the zone for the property will be assessed a fee equivalent to a Zoning Conformance Review. Applications associated with a use that requires discretionary review (such as a Conditional Use Permit) will be reviewed alongside the concurrent discretionary application, and will be included as part of the fee associated with the discretionary review. The Agricultural Commissioner will not recover costs for inspections at this time. The Registrar Recorder will charge standard recording fees.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Government Code Section 51040 et seq. states that after a public hearing, the County may establish by ordinance an Urban Agricultural Incentive Zone and Program. This public hearing was duly noticed in five newspapers of general circulation. An ordinance amending Title 22 of the County Code creates a UAIZ to promote urban agricultural activities on eligible properties in the unincorporated areas of the County. This program does not involve changes to land uses and zoning and does not involve modifications to the filing fee schedule in Title 22. Per Government Code Section 25131 an ordinance may not be passed within five days of its initial introduction. A reading of the entirety of the ordinance must be made on the record, unless waived by motion of the Board, after the reading of the title.

ENVIRONMENTAL DOCUMENTATION

The proposed Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15304 (Minor Alterations to Land) of Title 14 of the California Code of Regulations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Action on the proposed Ordinance is not anticipated to have a significant impact on County services or projects.

The impacts on staff time is unknown at this time, as impacts on workload by the Department of Regional Planning and the Agricultural Commissioner administering the program may be determined by how many actual filings are submitted. Costs associated with initial and annual inspections may be reasonably absorbed by both Departments if there are a low number of properties entering into UAIZ agreements. Should the costs associated with an increase in the number of properties with UAIZ agreements exceed what may be reasonable, the departments may request new fees, subject to approval by the Board, be implemented to recoup those costs with new UAIZ agreement applications.

Should you have any questions, please contact Bruce Durbin via e-mail at bdurbin@planning.lacounty.gov or Alyson Stewart at astewart@planning.lacounty.gov or (213) 974-6432.

The Honorable Board of Supervisors

3/22/2016

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Richard J. Bruckner". The signature is fluid and cursive, with a large loop at the end.

RICHARD J. BRUCKNER

Director

RJB:MC:BD:AS:es

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Agricultural Commissioner/Weight & Measures
Assessor
Chief Executive Office
Public Works
Treasurer and Tax Collector

ANALYSIS

This ordinance amends Title 22 – Planning and Zoning of the Los Angeles County Code, to implement the Urban Agriculture Incentive Zone Act, as described in section 51040, et seq., of the California Government Code, to promote and foster urban agriculture. This ordinance establishes an Urban Agricultural Incentive Zone Program for the unincorporated territory of Los Angeles County and enables incorporated cities to follow the process established by this ordinance to adopt their own Urban Agriculture Incentive Zone by resolution, after holding a public hearing. The Urban Agricultural Incentive Zone Program is designed to increase access to healthy food by providing an incentive for property owners of eligible vacant or unimproved properties within the urban areas of Los Angeles County to utilize these properties for small-scale agricultural uses.

MARY C. WICKHAM
County Counsel

By


JILL M. JONES
Senior Deputy County Counsel
Property Division

JMJ:ph

Requested: 03/08/16

Revised: 03/23/16

ORDINANCE NO. _____

An ordinance amending Title 22 – Planning and Zoning of the Los Angeles County Code, to implement the Urban Agriculture Incentive Zone Act, as described in section 51040, et seq., of the California Government Code to promote and foster urban agriculture.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Part 31 of Chapter 22.52 is hereby added to read as follows:

Part 31 **Urban Agriculture Incentive Zone Program.**

22.52.3400 **Title for Citation.**

22.52.3410 **Purpose.**

22.52.3420 **UAIZ Program Establishment.**

22.52.3430 **Maximum Allocation.**

22.52.3440 **UAIZ Program Eligibility.**

22.52.3450 **Permitted Land Use.**

22.52.3460 **Application for UAIZ Agreement Within County's UAIZ.**

22.52.3470 **Consideration of UAIZ Application by County.**

22.52.3480 **UAIZ Agreement with County.**

22.52.3490 **Recordation of an UAIZ Agreement with County.**

22.52.3500 **Annual Inspection for Conformance.**

22.52.3510 **Cancellation of an UAIZ Agreement with County.**

22.52.3520 **UAIZ Program Operative Date.**

22.52.3400 Title for Citation.

The provisions of this Part 31 of Chapter 22.52 are known as, and may be cited as, the "Los Angeles County Urban Agricultural Incentive Zone Program."

22.52.3410 Purpose.

The purpose of this Los Angeles County Urban Agriculture Incentive Zone ("UAIZ") Program is to implement the UAIZ Act ("Act"), as described in section 51040, et seq., of the California Government Code to promote and foster urban agriculture. The UAIZ Program is designed to increase access to healthy food by providing an incentive for property owners of eligible vacant or unimproved properties within the urban areas of the County of Los Angeles ("County") to utilize these properties for small-scale agricultural uses. The property owners of eligible properties may enter into agreements with the County, or respective cities that elect to participate in the UAIZ Program, to promote urban agriculture enterprises in exchange for reduced property tax assessments under section 422.7 of the California Revenue and Taxation Code.

22.52.3420 UAIZ Program Establishment.

An UAIZ is hereby established for all urban areas, as defined by the Act, throughout the unincorporated territory of the County, with the exception of any unincorporated territory located within the sphere of influence of an incorporated city, unless and until the legislative body of the city has consented to the inclusion of all or part of its sphere of influence in the County's UAIZ. Each incorporated city within the County may, likewise, establish an UAIZ within its jurisdiction by passage of a resolution after a public hearing before its respective legislative body, so long as there is a process

by which each such city causes its UAIZ agreements to be recorded with the Registrar-Recorder/County Clerk, and causes a stamped copy of its UAIZ agreements to be submitted to the Office of the County Assessor ("Assessor"). For each such recorded and submitted UAIZ agreement, the Assessor will apply the appropriate assessment formula annually to derive the reduced assessment roll value, for each year of the UAIZ agreement period. Each UAIZ established by a city pursuant to this section shall be also subject to the provisions set forth in Sections 22.52.3430 through 22.52.3450, and 22.52.3520 of this Part. However, regardless of population or location in unincorporated or incorporated territory, an UAIZ shall never include in, whole or in part, a National Recreation Area, Significant Ecological Area, Sensitive Environmental Resource Area, and/or former Redevelopment Area.

22.52.3430 Maximum Allocation.

In implementing the UAIZ Program, the maximum loss to the County in unrealized ad valorem property tax revenue (Article XIII A of the California Constitution) resulting from the UAIZ agreements, whether within the unincorporated territory of the County or an incorporated city participating in the UAIZ Program, shall be a cumulative total of three million dollars (\$3,000,000) for the life of the UAIZ Program. The Assessor will track the total unrealized property tax revenue loss anticipated from each UAIZ agreement, and will notify the Director and cities with UAIZs when the maximum allocation is reached. No individual property or economic parcel shall exceed an annual unrealized property tax revenue loss to the County of fifteen thousand dollars (\$15,000).

22.52.3440 UAIZ Program Eligibility.

To be eligible for the UAIZ Program, all of the following requirements must be met:

- A. The property is vacant, unimproved, or contains only non-habitable structures that are or will be accessory to agricultural uses, such as a toolshed, greenhouse, produce stand, or instructional facility.
- B. The property is located within a Census-designated urbanized area, as defined in the Act, so long as it is not wholly or partially within a National Recreation Area, Significant Ecological Area, Sensitive Environmental Resource Area, and/or former Redevelopment Area.
- C. The property in its entirety shall be available for and dedicated to agricultural uses immediately and for the duration of the initial agreement, which shall be for a term of five (5) years.
- D. The property shall be a minimum of one-tenth (0.10) of an acre and a maximum of three (3) acres.
- E. Secured property tax obligations shall be current and paid according to installments determined by State law.
- F. The UAIZ agreement shall contain all provisions required by the Act.

22.52.3450 Permitted Land Use.

Eligible land uses under the UAIZ Program may include any agricultural land uses that are permitted or conditionally permitted both by the Act and by local regulations, including local planning and zoning codes.

22.52.3460 Application for UAIZ Agreement Within County's UAIZ.

A. Property owners, or authorized persons thereof, of an eligible property within the County's UAIZ may file an application with the Department to enter into an UAIZ agreement.

B. Each application shall contain the following information:

1. Name and address of the owners of the subject property;
2. Evidence that the applicant is the sole owner of the subject property or has the written permission of all owners to make such application;
3. The location and legal description of the subject property;
4. Evidence that the subject property is currently vacant or unimproved, and contains no habitable structures;
5. Proposed agricultural activity or land uses, including crop types;
6. An agreement signed by all property owners to commit to the terms of the UAIZ agreement;
7. A site plan evidencing to the satisfaction of the Director that execution of the UAIZ agreement will result in actual utilization of the entire property for agricultural activity for the entire contractual period of five (5) years; and
8. Such other information as the Director may require.

22.52.3470 **Consideration of UAIZ Application by County.**

For proposed uses that trigger other County Code requirements, the Department will make referrals to other departments as appropriate. The Director shall make a determination based on compliance with Section 22.52.3460.B and the recommendation from other departments, as applicable, to approve or deny the application.

22.52.3480 **UAIZ Agreement with County.**

An approved application for property within the County's UAIZ will be finalized by execution of a notarized UAIZ agreement by the Director, or his/her designee, and the applicant, which shall include the approved site plan as Exhibit A. The term of an approved UAIZ agreement for property within the County's UAIZ shall commence on the first day of January following recordation of the UAIZ agreement.

22.52.3490 **Recordation of an UAIZ Agreement with County.**

An UAIZ agreement for property within the County's UAIZ, including the site plan attached as Exhibit A, shall be recorded by the property owner with the County Registrar-Recorder/County Clerk. The applicant shall provide copies of the recorded UAIZ agreement to the Assessor and the Department.

After recordation, the Assessor will apply the appropriate assessment formula annually to derive the reduced assessment roll value, for each year of the UAIZ agreement period.

22.52.3500 Annual Inspection for Conformance.

Within 90 days after the recordation of any UAIZ agreement for property within the County's UAIZ and every subsequent year thereafter, the Agricultural Commissioner shall conduct a site inspection to verify the property owner's conformance to the terms of the UAIZ agreement.

22.52.3510 Cancellation of an UAIZ Agreement with County.

A. Circumstances for Cancellation.

1. County-Initiated Cancellation for Noncompliance. If the Agricultural Commissioner finds that the property does not conform to the terms of the UAIZ agreement, the Agricultural Commissioner will report any issues to the Department, which will then make any appropriate referrals to other departments based on the nature of the issue of noncompliance. The respective department shall initiate enforcement actions to bring the property into compliance. Should the property owner fail to comply with the corrective actions requested by the enforcing department within a time period set forth by such department, then notice of such continuing violation shall be submitted to the Director. The Director shall then notify the property owner by mail that the UAIZ agreement will be cancelled fifteen (15) calendar days after mailing of the notice. At the end of the fifteen (15) days, the Department shall execute a cancellation document and record it with the Registrar-Recorder/County Clerk and notify the Agricultural Commissioner and Assessor.

2. Owner-Initiated Cancellation. If the property owner submits a request to the Director to cancel a recorded UAIZ agreement, the Director will execute

a cancellation document with the property owner, which the Director will record with the Registrar-Recorder/County Clerk and notify the Agricultural Commissioner and Assessor.

B. Effect of Cancellation—Tax Rate.

The property shall be reassessed to its previous non-agricultural tax rate from the first day of January following recordation of the cancellation document. The property owner shall also receive a secured property tax bill equal to the cumulative value of the tax benefit received during the duration of the UAIZ agreement upon the property owner for cancellation of any agreement prior to the expiration of that agreement, unless the Director makes a determination that the cancellation was caused by extenuating circumstances despite the good faith effort by the property owner.

22.52.3520 Program Operative Date.

Unless extended by State law, no UAIZ agreement for property within the County's UAIZ or any city's UAIZ shall be renewed or created after January 1, 2019. However, any UAIZ agreement entered into pursuant to this Part on or before January 1, 2019, shall be valid and enforceable for the duration of the UAIZ agreement.

[22523400JJCC]

[THE FOLLOWING IS AN EXAMPLE OF AN URBAN AGRICULTURE INCENTIVE ZONES ACT AGREEMENT. DO NOT SIGN THIS SAMPLE AGREEMENT. THE DEPARTMENT OF REGIONAL PLANNING WILL PROVIDE AN AGREEMENT FOR SIGNATURE AFTER INITIALLY APPROVING YOUR APPLICATION.]

**URBAN AGRICULTURE INCENTIVE ZONES ACT
PROPERTY AGREEMENT
[STREET NUMBER AND STREET NAME]
("[NAME OF PROPERTY, IF ANY]")
LOS ANGELES COUNTY , CALIFORNIA**

THIS AGREEMENT is entered into by and between the County of Los Angeles, a political subdivision of the state of California ("County") and [NAME(S)] ("Owner(s)").

RECITALS

Owners are the owners of the property located at [ADDRESS], in Los Angeles County, California (Block [BLOCK NUMBER], Lot [LOT NUMBER]). The Los Angeles County Department of Regional Planning and Agricultural Commissioner have determined that the property located at [ADDRESS] ("Property") is eligible under the California Urban Agriculture Incentive Zones Act for an urban agriculture incentive zones contract. Owners desire to implement a small-scale urban agricultural use project for the Property.

The State of California has adopted the "Urban Agriculture Incentive Zones Act" (California Government Code Sections 51040, et seq., and California Revenue & Taxation Code, Article 1.5 [Section 422.7 et seq.]) authorizing local governments to enter into agreements with property Owners to reduce their property taxes, or to prevent increases in their property taxes, in return for a commitment to a sustainable urban farm enterprise in an urban area. The County has adopted enabling legislation, in its Title 22, authorizing it to participate in the Urban Agriculture Incentive Zones Act program.

Owners desire to enter into an Urban Agriculture Incentive Zones Act Agreement (also referred to as "Agreement") with the County to help mitigate expenditures for the use of the Property for small-scale urban agricultural use. The County is willing to enter into such Agreement to promote the use of vacant, undeveloped land for sustainable urban agricultural use and to provide public benefits to the County such as connecting residents to the broader food system, providing green space and recreational opportunities, building community, and promoting food access, public health, and economic development potential.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and conditions contained herein, the parties hereto do agree as follows:

1. Application of Urban Agriculture Incentive Zones Act. The benefits, privileges, restrictions and obligations provided for in the California Urban Agriculture Incentive Zones Act and Los Angeles County Code Section 22.____ shall be applied to the Property during the time that this Agreement is in effect commencing from the date of recordation of this Agreement.
2. Use of the Property. Owners shall dedicate the entire Property to an agricultural use and shall undertake and complete the work set forth in Exhibit A ("Site Plan") attached hereto. Owners shall proceed diligently in commencing agricultural use as set forth in the Site Plan and shall commence such use not less than thirty (30) days after recordation of this Agreement if not already using the Property for agricultural use. No dwelling units shall be permitted on the Property. Failure to timely commence agricultural use, or the presence or construction of any dwelling unit(s) on the Property may result in cancellation of this Agreement per the procedure set forth in the ordinance.
3. Cessation of Agricultural Use. Owners shall report in writing to the Department of Regional Planning any cessation of agricultural use for any reason or any other change in use from that approved under the attached Site Plan within two (2) weeks of the cessation of activity. Owners shall resume agricultural activity consistent with the Site within three (3) months of any such cessation. Failure to timely resume agricultural use may result in cancellation of this Agreement, per the procedure set forth in the ordinance.
4. Inspections. Owners shall permit periodic examination of the Property by representatives of the City's Assessor-Recorder, the Department of Building Inspection, the Planning Department, and the Agricultural Commissioner, to monitor Owners' compliance with the terms of this Agreement. Owners shall provide all reasonable information and documentation about the Property demonstrating compliance with this Agreement as requested by any of the above-referenced entities.
5. Term. This Agreement is effective upon the date of execution by the County and remains in full force and effect for a term of five (5) years, which commences on the first day of January following execution and recordation of the Agreement ("Initial Term").
6. Valuation. This Agreement must have been executed and recorded on or before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Property to be valued under the taxation provisions of the Urban Agriculture Incentive Zones Act for that fiscal year.
7. Renewal and Extension. Owners may apply for an extension of the Agreement for an additional term of up to five (5) years, provided that the California Urban Agriculture Incentive Zones Act and Los Angeles County Code Section 22.____ permit such an extension. Any such extension shall be subject to the same requirements as an initial application as set forth in Los Angeles County Code Section 22.____ , and shall follow the process for the initial UAIZ contract, including recordation..
8. Default. An event of default under this Agreement may be any one of the following:
 - (a) Owners' failure to conduct the agricultural use set forth in Exhibit A;

(b) Owners' failure to resume agricultural use after cessation in accordance with the requirements of Paragraph 3 herein;

(c) Owners' failure to allow any inspections as provided in Paragraph 6 herein;

(d) Owners' termination of this Agreement during the Term;

(e) Owners' failure to be current on property taxes for the parcel; or

(f) Owners' failure to comply with any other provision of this Agreement.

An event of default shall result in cancellation of this Agreement and the process for cancellation as set forth in the ordinance will control.

9. Cancellation by Owner. In the event Owners cancels this Agreement during the Term, Owners shall provide written notice to the Department of Regional Planning and the process for cancellation as set forth in the ordinance will control.

10. Cancellation by County. County may cancel this Agreement if it makes a reasonable determination that Owners have breached any condition or covenant contained in this Agreement or have defaulted and the process for cancellation as set forth in the ordinance will control.

11. Cancellation Payment of Taxes. If the County cancels this Agreement as set forth in Paragraph 11 above or Owners cancel the Agreement as set forth in Paragraph 10 above, Owners shall receive a secured property tax bill equal to the cumulative value of the tax benefit received during the duration of the Agreement, as determined by the Assessor, as set forth in Government Code Section 51042(a)(2)(B). This tax bill shall include the cumulative tax owed, including any penalties and interest. The tax bill shall be paid to the County Treasurer and Tax Collector at such time and in such manner as prescribed by State law. The Director of Regional Planning may waive payment of the tax, or any portion thereof, pursuant to section 22._____ of the UAIZ ordinance, if it determines that the cancellation was caused by extenuating circumstances despite the good faith effort by Owners to comply with the provisions of the Agreement. Upon satisfaction of any such tax bill described above, the Director of Regional Planning shall execute a cancellation document at Owners' request. Owners are responsible for recordation of the cancellation document and any and all related recording fees.

12. Indemnification. Owners shall indemnify, defend, and hold harmless the County and all of its boards, commissions, departments, agencies, agents and employees (individually and collectively, the "County") from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses incurred in connection with or arising in whole or in part from: (a) any accident, injury to or death of a person, loss of or damage to property occurring in or about the Property; (b) the use or occupancy of the Property by Owners, their Agents or Invitees; (c) the condition of the Property; (d) any construction or other work undertaken by Owners on the Property; or (e) any claims by unit or interval Owners for property tax reductions in excess those provided for under this Agreement. This indemnification shall include, without limitation, reasonable fees for attorneys, consultants, and experts and related costs that may be incurred by the County and all indemnified parties specified in this Paragraph and the County's cost of investigating any claim. In addition to

Owners' obligation to indemnify County, Owners specifically acknowledge and agree that they have an immediate and independent obligation to defend County from any claim that actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false, or fraudulent, which obligation arises at the time such claim is tendered to Owners by County, and continues at all times thereafter. Owners' obligations under this Paragraph shall survive termination of this Agreement.

13. Binding on Successors and Assigns. The covenants, benefits, restrictions, and obligations contained in this Agreement shall be deemed to run with the land throughout its duration and shall be binding upon and inure to the benefit of all successors and assigns in interest of Owners.

14. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

15. Recordation. Within 20 days from the date of execution of this Agreement, Owners shall cause this Agreement to be recorded with the Office of the Registrar Recorder of the County of Los Angeles. Following recordation, the Owners shall submit a certified copy of the recorded Agreement to the Assessor. Owners are responsible for any and all related recording and indexing fees.

16. Amendments. This Agreement may be amended in whole or in part only by a written instrument executed by the parties hereto in the same manner as this Agreement and recorded pursuant to Paragraph 15, above.

17. No Implied Waiver. No failure by the County to insist on the strict performance of any obligation of Owners under this Agreement or to exercise any right, power, or remedy arising out of a breach hereof shall constitute a waiver of such breach or of the County's right to demand strict compliance with any terms of this Agreement.

18. Authority. If Owners sign as a corporation or a partnership, each of the persons executing this Agreement on behalf of Owners does hereby covenant and warrant that such entity is a duly authorized and existing entity, that such entity has and is qualified to do business in California, that Owners have full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Owners are authorized to do so.

19. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Signatures. This Agreement may be signed and dated in parts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as follows:

COUNTY OF LOS ANGELES:

By: _____
Regional Planning Director

DATE: _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: _____
[NAME],

DATE: _____

OWNERS

By: _____
[NAME], Owner

DATE: _____

[IF MORE THAN ONE OWNER, ADD ADDITIONAL SIGNATURE LINES. ALL OWNERS
MUST SIGN AGREEMENT.]

EACH OWNER(S)' SIGNATURE(S) MUST BE NOTARIZED. ATTACH PUBLIC NOTARY
FORMS HERE.